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Internet-Based Customer Service: **Organizational Experiences**

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SUMMARY

This research project is part of an overall plan to study how the IRS can better deliver Tax Assistance to taxpayers using the Internet. In 1995, the IRS created the “Ask the IRS” system. The system, which started as a prototype, has been in operation since then. “Ask the IRS” is an Electronic Tax Law Assistance (ETLA) system that allows taxpayers to use email to send tax law questions to the Service. In the current configuration, taxpayers access the system through the IRS.gov website. Several Customer Service sites process the emails containing the taxpayers’ questions, and responses are then sent back to the taxpayer’s email address. The IRS has never advertised this service.

Several complex questions about ETLA were split into a series of research projects. One important question was to identify benefits of the ETLA system. Research Project 2.07, ‘Benefits of “Ask the IRS” Electronic Tax Law Assistance,’ identified a specific list of benefits and possible enhancements to the system based on detailed analyses of the feedback received from taxpayers who had used it, as well as on a survey of the assistants who work with the system on a routine basis.

The conclusion of Research Project 2.07 was that email and the Internet have great potential as channels to service taxpayers, but that there is also a need to better understand and manage their organizational impacts, growth, and technological evolution.

The research project presented here is the logical continuation of the previous work. The project’s goal is to strengthen our understanding of how to deliver quality

taxpayer service through a study of the practices of leading organizations in the private and public sectors that have implemented Internet-based customer-service systems.

Specifically, the objectives of this research project were: (1) to identify leading-edge organizational and technological practices for providing and managing Internet-based customer service in comparable private and public organizations, and (2) to identify potential organizational impacts based on the experiences of the surveyed organizations.

This research summarizes the views of over thirty managers from eight Fortune 100 and Fortune e-50 companies and two public organizations. We selected these companies and individuals through a fairly elaborate process designed to ensure the selection of a sample of organizations comparable to the IRS (e.g., large organizations, serving the general public, service-oriented, and operating in a knowledge and information intensive environment).

Tightly structured, theory-based interviews were used to construct a series of business cases, which were then analyzed to identify common technological and organizational trends, best practices and organizational impacts of the systems, and technologies implemented by the organizations.

This research has resulted in the identification of several technological trends, best practices, and organizational impacts from the new technologies. These practices and their impacts, organized by theme, are described in the “findings” section the report. Those findings cover the following topics:

- Technology trends
- Information content and knowledge management strategies
- Policies (personalization, prioritization, channel competition, etc.)
- Personnel management
- Managing the service process
- Managing the service outcome
- Customer impacts (e.g., satisfaction)
- Assistant impacts (e.g., productivity)
- Organizational impacts (costs)
- General call center strategies

Conclusions and Recommendations

The conclusion that stems from this study is that the next step in increasing efficiency of the customer support function comes from the electronic channels. This is the direction that many leading organizations in the nation have taken. The report offers an up-to-date panorama of current best practices in the delivery of customer support via the Internet.

It is important to keep in mind that the findings of this study are descriptive in nature, not prescriptive. Because these best practices summarize the beliefs and the experiences of the managers of some of the leading companies in the nation, we believe and recommend that these practices should be considered with an open mind. At the same time, the differences in mission, operations, markets and products between these organizations and the IRS require that adoption of these best practices be done on a carefully considered, case-by-case basis.